

Message Text

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ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-01 INR-10 NSAE-00 USIA-15 TRSE-00 OPIC-06

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 8392

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EO 11652: NA

TAGS: BPRO, CI

SUBJ: DOLLAR AVAILABILITY FOR PAYMENT OF IMPORTS INTO FREE
TRADE ZONES

REF: STATE 054803

1. FOR PURPOSES OF ANSWERING QUESTION RAISED IN REFTEL,
IMPORTS TO CHILEAN FREE TRADE ZONE (FTZ) CAN BE DIVIDED
INTO THREE CATEGORIES.

A) IMPORTS DESTINED FOR IMMEDIATE USE OR RESALE ELSEWHERE
IN CHILE. THE IMPORTERS ORDER SHOULD INCLUDE THE CENTRAL
BANK REGISTRATION NUMBER. THIS NUMBER CONFIRMS FOREIGN
EXCHANGE AVAILABILITY ON REQUEST BY THE IMPORTER IN CHILE.

B) IMPORTS DESTINED FOR IMMEDIATE USE OR RESALE WITHIN THE
FTZ ITSELF, NO MATTER IF THE GOODS NEVER LEAVE THE FTZ.
AS IN EXAMPLE A), THE IMPORTER CAN AND SHOULD REGISTER
THE IMPORT WITH THE CENTRAL BANK AND PROVIDE THE REGIS-
TRATION NUMBER TO THE SUPPLIER. AGAIN FOREIGN EXCHANGE
AVAILABILITY IS ROUTINE.

C) IMPORTS DESTINED FOR STORAGE IN THE FTZ, TO BE SOLD
EVENTUALLY AS ORDERS ARE RECEIVED OR AS NEEDED FOR
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STOCK WITHIN CHILE. IN THIS CASE THE IMPORT CANNOT BE
REGISTERED WITH THE CENTRAL BANK, AND THUS THERE IS NO
GUARANTEE OF FOREIGN EXCHANGE. IN PRACTICE, ONCE THE
IMPORTER WANTS TO REMOVE THE GOODS FROM THE FTZ, HE

THEN MUST REGISTER THE TRANSACTION WITH THE CENTRAL
BANK, AND JUST AS ROUTINELY RECEIVES APPROVAL FOR THE

FOREIGN EXCHANGE PAYMENT. THE DIFFERENCE IN THIS CASE IS THAT MOVING THE GOODS FROM THE FTZ COULD OCCUR MONTHS AFTER PLACING AN ORDER OR ARRIVAL OF THE SHIPMENT IN THE FTZ.

2. THE RATIONALE FOR THIS DIFFERENT TREATMENT IS THAT GOODS ENTERING THE FTZ CAN ALSO BE RE-EXPORTED WITHOUT EVER HAVING ENTERED THE CHILEAN ECONOMY. THE CENTRAL BANK CLEARLY DOES NOT WISH TO PROVIDE THE FOREIGN EXCHANGE FOR WHAT WOULD BE, IN THESE CASES, THIRD COUNTRY TRANSACTIONS.
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